

Regional Economic Update: Poised for Growth, But When Will it Happen?

OMNI LOS ANGELES HOTEL
LOS ANGELES, CA
DECEMBER 5, 2013

THE 4TH ANNUAL
SOUTHERN CALIFORNIA
ECONOMIC RECOVERY & JOB CREATION SUMMIT



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS



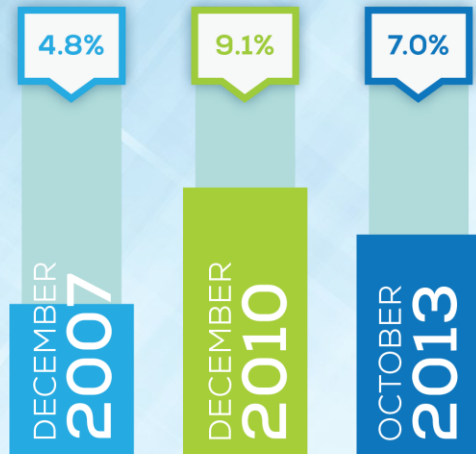
SOUTHERN CALIFORNIA
LEADERSHIP COUNCIL

Great Recession of the Late 2000s

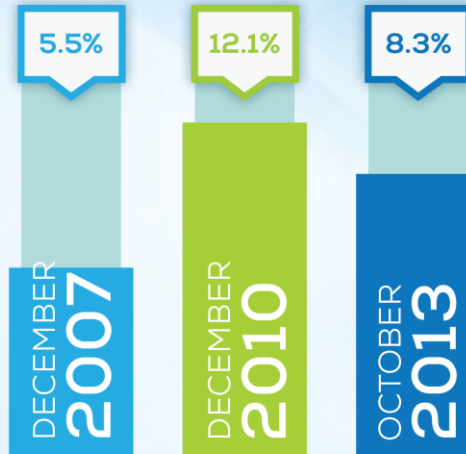
- From January 2000 – December 2007, the SCAG region gained 714,600 jobs.
- 790,700 jobs were lost from December 2007– July 2009.
 - Imperial County: 5,200
 - Los Angeles County: 417,300
 - Orange County: 175,200
 - Inland Empire: 163,900
 - Ventura County: 29,100
- Housing market crash, foreclosures reach all-time highs.
- Consumer Spending and Sales Tax plummeted.
- Since July 2009, the SCAG region has gained 381,600 jobs.

Unemployment At A Glance

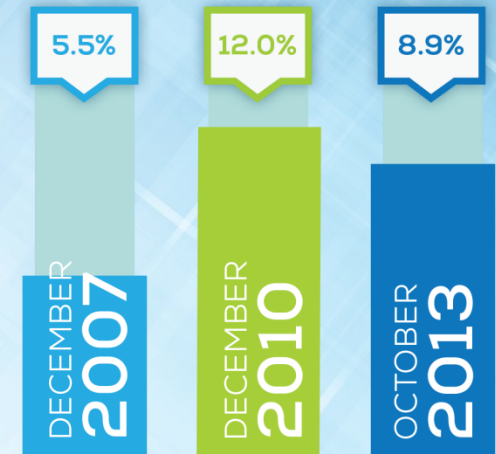
UNITED STATES



CALIFORNIA



SCAG REGION



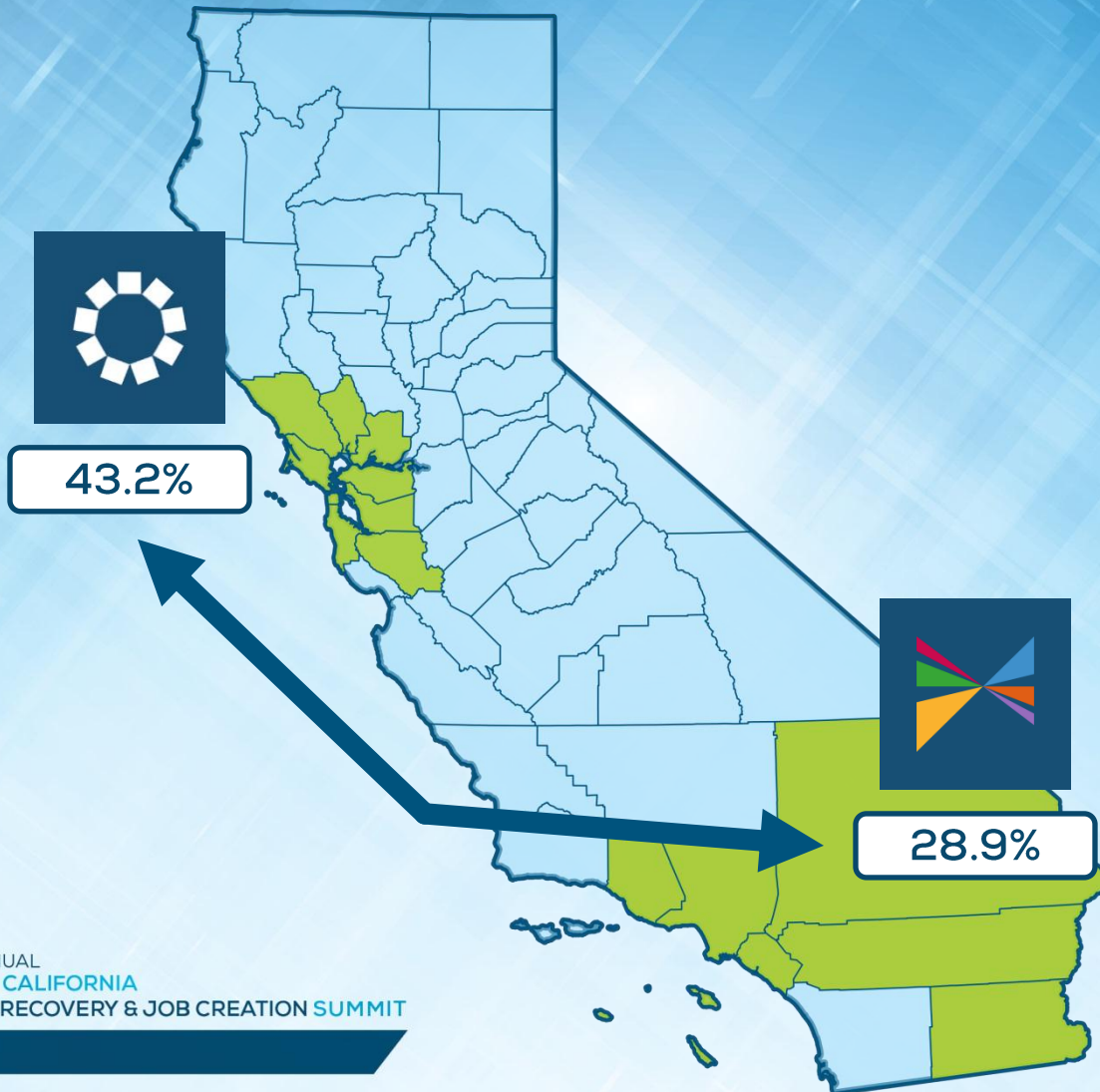
Outlook On Recovery in 2010 & 2012



Median Household Income



California Education Levels Bachelor's Degree or Higher



SCAG's Economic Team

■ IMPERIAL COUNTY

- Michael Bracken, M.P.A. • Development Management Group, Inc.

■ LOS ANGELES COUNTY

- Christine Cooper, Ph.D. • Los Angeles County Economic Development Corporation

■ ORANGE COUNTY

- Wallace Walrod, Ph.D. • Orange County Business Council

■ RIVERSIDE/SAN BERNARDINO COUNTIES

- John Husing, Ph.D. • Economics & Politics, Inc.

■ VENTURA COUNTY

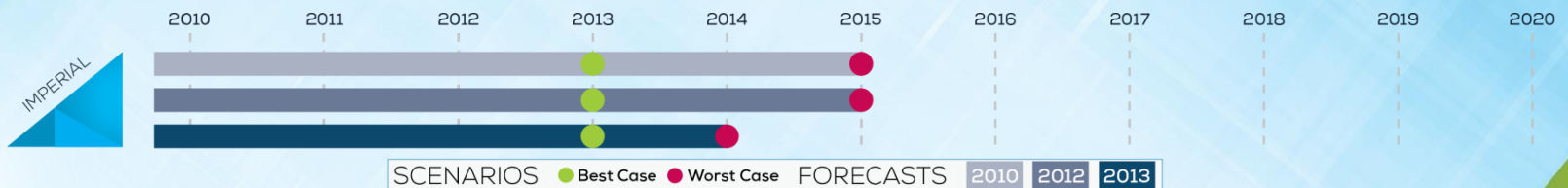
- Bill Watkins, Ph.D. • California Lutheran University

Imperial County

IMPERIAL



- Total employment has surpassed 2007 pre-Recession levels, reaching 55,800 August 2013.
- Labor Force has increased dramatically over the past six years.
- Agriculture brings significant value, surpassing \$2 billion in livestock and crop production.
- Home prices have stabilized, foreclosures are declining, and the number of homes sold increased by over 10% since 2012.

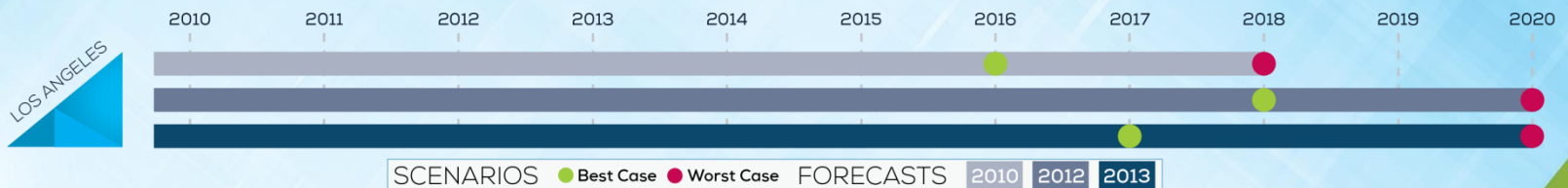


Los Angeles County

LOS ANGELES



- Over 450,000 jobs in Los Angeles County were lost from peak to trough (2007 to 2010).
- Job growth through 2017 will primarily be in lower-paying, lower-education occupations such as those in Administrative Support, Health Care & Social Assistance, and Food Service.
- Poverty rates are high, and have been increasing since 1990, and are likely understated.
- Home prices recovered some of the losses experienced in the Great Recession.
- Recovery will ultimately hinge on the success of traded industry clusters, such as Entertainment, International Trade, Aerospace, Analytical Instruments, and Fashion.

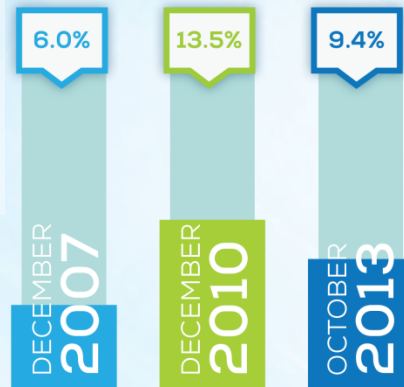


The Inland Empire

RIVERSIDE



SAN BERNARDINO



- Unemployment declined significantly since 2012.
- Logistics, Healthcare and Construction are key growth industries, though each faces significant hurdles such as regulatory barriers and lack of local training capabilities.
- Poverty rates are high and have been increasing since 1990.
- Housing affordability issues are sending coastal residents inland, but finance availability is a big hurdle. IE median home prices are competitive and low-cost, though a large gap between new and existing home prices remains (\$355K vs. \$237K).

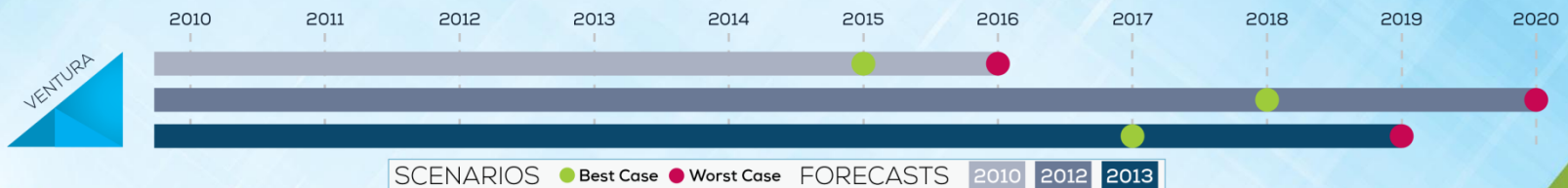


Ventura County

VENTURA



- Solid growth in Natural Resources & Mining (Oil), Wholesale Trade, Retail Trade, and Leisure & Hospitality sectors.
- Negative net domestic migration since 2003 is slowing economic recovery.
- Open-space preservation ordinances another significant drag on economic recovery.
- Housing prices stabilized at \$455,000 as of September 2013, with investor interest continuing to support prices.



Orange County

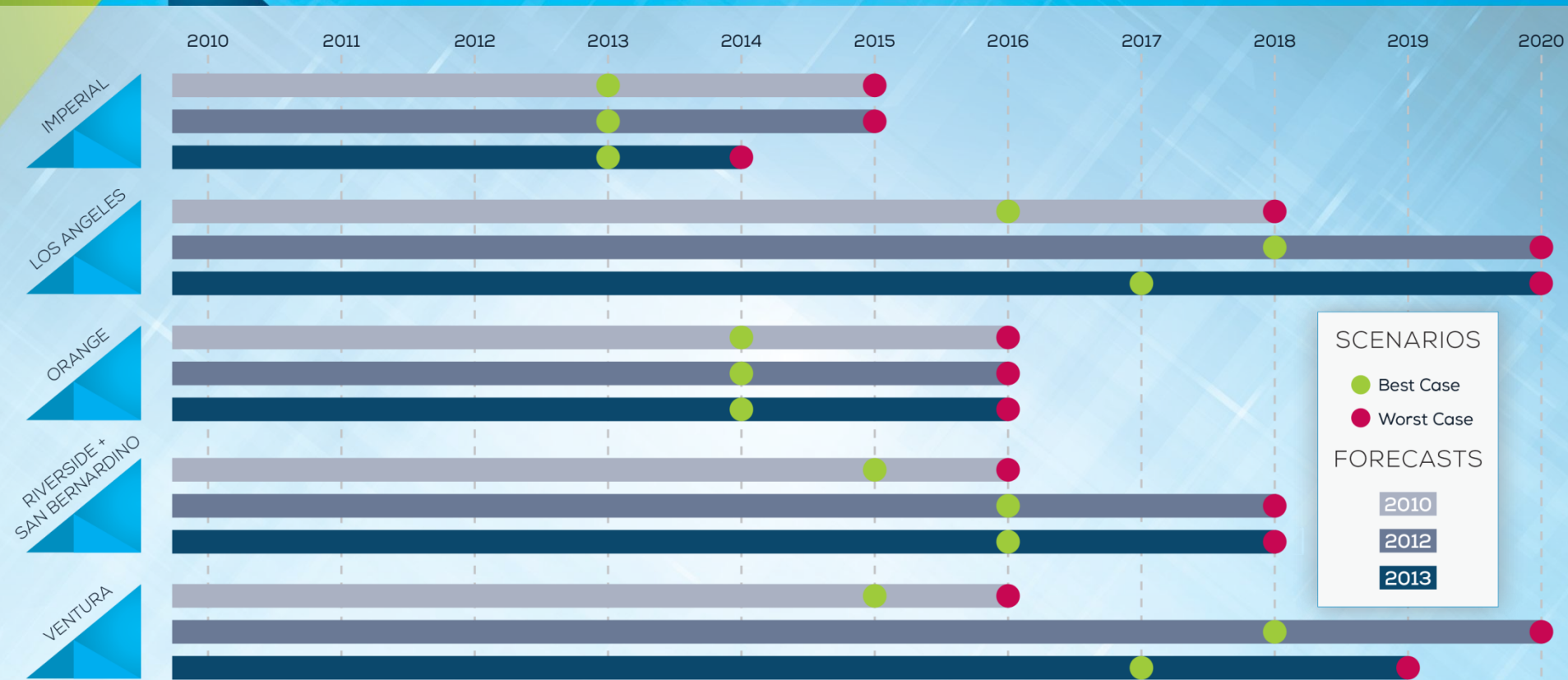
ORANGE



- Orange County's economic recovery continues to build momentum, with the private sector hiring over 33,000 in the last year.
- Leading contributors to employment growth since 2012 include Construction, Leisure & Hospitality, Professional & Business Services, Financial, Educational & Health Services, and Manufacturing.
- International Trade, IT, and Advanced Manufacturing also key drivers leading economic and job growth.
- Housing market activity increased significantly, with rising building permit activity, new construction, and home values.



When Will We Recover Lost Jobs?



SCENARIOS

- Best Case
- Worst Case

FORECASTS

2010

2012

2013

**TODAY'S MATERIALS ARE
AVAILABLE FOR DOWNLOAD AT:**

<http://economy.scag.ca.gov>

4
THE 4TH ANNUAL
SOUTHERN CALIFORNIA
ECONOMIC RECOVERY & JOB CREATION SUMMIT